

COMMITTEE ON LANDS AND BUILDINGS

September 17, 2002

6:00 PM

Chairman Thibault called the meeting to order.

The Clerk called the roll.

Present: Aldermen Thibault, Gatsas, Pinard, DeVries, Garrity

Messrs: J. Taylor, K. Clougherty, R. Sherman, P. Martineau, D. Beauchesne,
S. Tellier

Chairman Thibault addressed Item 3 of the agenda:

Communication from Jay Taylor, Economic Development Director,
advising of the rejection of the bids for the sale of the three City-owned
parking garages submitted on August 30th and inquiring if any additional
action is warranted.

Alderman Pinard stated I think we should have Mr. Taylor come forward and give
us an explanation.

Mr. Taylor stated as I am sure the Committee will recall, as a result of a discussion
held at this Committee several months ago the recommendation was made to the
full Board to pursue trying to sell the garages and as part of that action that was
taken by the Board a minimum bid price was set on each one of the garages as the
major requirement for submitting a bid. Bids came in on August 30 and of the
three bids received, none of them matched or exceeded the minimum bid price set
on any of the garages so on advice of the Solicitor's Office the process requires
that we reject the bids absent any further action by this Committee or by the full
Board. Letters have gone out indicating that we have rejected the bids unless the
full Board decides to go a step further. Now having said all of that, I guess if you
will indulge me for a couple of minutes I have a couple of suggestions that I would
like to throw out for the Committee's consideration. One is before we go further
with this it seems to me that one of the pieces of the puzzle that has been missing
and I believe now the information is available is what exactly is the remaining
debt on all of these garages. Number one we need to find that information out.
Secondly, what kind of rate increase or combination rate increase and reduction of
expenses would be required in order to make these garages at a minimum break
even. That is another piece of information that I think we need to get at. As you

know, there has been under consideration for some time a change in the management contract, which would put another management company in charge of at least the Victory and Canal Street garages with the accompanying estimate on their part that they could reduce operating expenses by I believe \$100,000. That piece of the puzzle is still on the table as I recall. Finally, in the Mayor's most recent budget recommendations there was a proposal for a car registration fee, which would be dedicated to the parking operations. With all of these items hanging out there in the air and not having the answers, it seems to me what we need is a conversation with this Committee or other Committees and the full Board as to the entire parking operation and try to put all of these pieces together so we have the information at hand to make a reasonably intelligent decision as to whether these garages can, in fact, break even and cease to be a burden on the taxpayers or whether or not they can't be. I don't think that discussion has been held yet. It seems to me that before we go further we ought to have that discussion.

Alderman Gatsas stated Jay obviously by the looks of the offers, they must have taken a look at the income approach and the income approach is not delivering what they need.

Mr. Taylor replied that is exactly right.

Alderman Gatsas stated the next question is how many non-payment rentals do we have. Do we know that? How many people are in the garages that are not paying rent?

Mr. Taylor replied I don't have the exact figure but I believe that number would be confined to City employees. I don't have an exact number. I am sure Traffic does but I don't happen to have that off the top of my head.

Alderman Gatsas asked is there any way you can get that because if it is 100 or 200 that certainly had to reflect...

Alderman Lopez interjected 121 at the Canal Street garage for City employees.

Alderman Gatsas stated I believe there are also non-paying people at Victory.

Mr. Taylor responded I believe there are as well. I believe the Police have something like 60 spaces.

Alderman Gatsas stated so if that is a total of 200...what is the average rental.

Mr. Taylor answered \$56/month per space.

Alderman Gatsas stated that is \$1.4 million in value if you use a 10% cap rate. That brings you somewhere around \$9 million on whoever offered on all three. That enhancement makes a difference.

Mr. Taylor replied well there is another angle to this. I think if you recall we had a discussion earlier about the appraisals and it was the appraisers opinion that the market rate for spaces in the garages today is \$75/month per space and the fact that those garages were not generating that number was the reason that the appraised numbers came in on the low side. If we were magically able to raise the rates to \$75 overnight, I suspect if you did this exercise again these numbers would come in substantially higher than that. I am not suggesting we do that. I don't think that would be a prudent way to move forward. I think if you are going to change the rate structure to get closer to the market rate, the fair way to do that would be to do it over a period of three or four years and raise the rates incrementally until you get where you need to be rather than create a huge rate shock by going up \$20/month. Again, that is a decision that this Board and this Committee is going to have to make. I agree with your premise.

Alderman Gatsas stated hypothetically if I said to you, Jay Taylor, who rents a space or who is an attorney downtown or an accountant downtown who has office space that you could buy a space at any one of the garages for \$10,000 and let's take for a second that you could amortize that over a 20 year period and I took that rate and divided it by 12 months that means you are really a rental rate but you would own the garage, you would own that space for at least a debt service of \$41.67 a month for at least 20 years. You would then have to proportionately pay some sort of maintenance fee every month. I don't know what that number is.

Mr. Taylor stated maintenance and taxes. If it was privately owned then, of course, it would be subject to real estate taxation.

Alderman Gatsas responded right but I don't know what that number is. Let's assume it is another \$15/month and get you back to the \$56/month. Do you think that we could sell some 1,500 spaces at \$10,000?

Mr. Taylor replied my guess is that there would be some interest out there. Whether it is 1,500 spaces I don't know but I suspect there would be some interested in buying spaces if we decided to go that route. I think that are people who would buy them because clearly they lock in their cost going forward doing it that way as opposed to leaving it to the City's discretion as to whether or not to raise the rates on an annual basis.

Alderman Gatsas asked is there any way that we could do an analysis of what the number would be if we distributed...let's say the number is 1,500 and we could sell 750 spaces and what that would do if we rented the balance. If we can get \$10,000 a space and 1,500 spaces is probably on the low side for what we have for a total there. I don't know what the total is. It must be over 2,000.

Mr. Taylor answered 850 in Victory, 1,000 at the Center of New Hampshire and 580 at Canal.

Alderman Gatsas replied so we are at about 2,500 spaces. If we delivered half of those spaces at \$10,000 we are at \$12 million.

Mr. Taylor responded we can't sell...necessarily sell Canal Street because the current management company has the first refusal. We can sell it subject to their first refusal and if they wish to do so they could buy the spaces.

Alderman DeVries stated to follow that line of questioning you did say that we had outstanding debt on all three garages right.

Mr. Taylor replied yes and Mr. Sherman from the Finance Department has those figures.

Alderman DeVries stated probably the answer needs to come from the Legal Department rather than from you, Jay, but would we be allowed in any way, shape or form to enter into a private sale for individual spaces without clearing that outstanding debt on the structure as a whole.

Deputy Solicitor Arnold replied I would have to research it but I do not believe so. I don't believe you could do that.

Alderman DeVries stated before we spend a lot of time on an analysis wouldn't we also have to subdivide in some way the garages so that we can demonstrate on a legal deed the actual space that is represented in the sale. Wouldn't there be some survey or engineering to prepare each individual deed?

Mr. Taylor replied yes I guess there would be but I can't imagine that would be an insurmountable problem given that the spaces could be...I would think could be easily identified. I am not sure that would be a huge problem. You would have to do something.

Deputy Solicitor Arnold stated obviously you would. Typically the way that would be handled would be by turning the parking lots into condos. The condo being an individual space and then you need a management company and monthly maintenance fees and all of the other things that have been pointed out.

Alderman DeVries stated correct but subdivision for a condo requires some substantial surveying.

Alderman Gatsas stated it wouldn't be a subdivision.

Alderman DeVries replied it depends on what is required on the deed description I would think. In any case shouldn't we answer the question as to whether we can even enter into that type of arrangement before we do the analysis?

Mr. Taylor stated I guess before we go too far down that road it would probably be reasonable to find out where that road is going to lead us. If we can't do it then maybe the analysis isn't a good use of someone's time. If we can do it then probably it is but I don't have the answer to that.

Alderman Gatsas stated I guess I am confused with what would stop us. If we have a debt on it we would go to the bank and look for subordination. We would hold those funds in abeyance to the bank. There would still be the first position...whatever we sold off we would be paying off that debt. If the debt on the building was \$500,000 and we only sold 10 spaces the rest would still be under the City and we would probably have to relieve whatever portion of the debt of the spaces we sold. Condominiumizing it is not different than going to a building and saying I am condominiumizing space and you end up buying parking space 128 and you own that space and whatever the fee is for maintenance and overhead and taxes would be split by those 800 parking spaces.

Mr. Taylor replied my guess was that if you were going to sell spaces that at least the proceeds that would equal or exceed the remaining debt on the garage would have to be put into some sort of a reserve for payment to the bond holders unless there was some available way to repay the bonds early and that may or may not be the case depending on the issue. I guess the Finance Department could answer that question.

Alderman DeVries stated the only thing I would like to add to the conversation is that the Traffic Committee, I believe, has tabled the management agreements on the different garages. I think that it would be incumbent on this Committee to send them a message that they should take that off the table and go forth with their appropriate decision so that we are not holding up that process any further. I do

believe that they said they could enter into a management agreement taking into consideration any type of sales that would happen after the fact.

Deputy Clerk Johnson stated I would advise that the Traffic Committee has already scheduled a meeting for September 23 to take up that item. That is their intent. It will be a special meeting for that purpose.

Alderman Garrity asked can we get the number from Randy at this time.

Chairman Thibault answered yes. One more thing that I would like to find out from whoever might be able to answer it is I would like to know what kind of arrangement the City made to give these parking spaces to City employees. Is there some kind of a hold that they have over us on that right now? Is that part of the wage package? Was it part of a union contract? How did this happen?

Mr. Taylor replied I believe it was part of the negotiations with the non-affiliated employees. This was probably done five or six years ago. I believe part of the agreement was that the use of the garages by the employees was subject to the garages not being full. If the garages ever got to the point of being full where paying customers were being turned away as a result of the City use then that City use would terminate. I don't believe we are at that point at this time but that is my recollection of the way this was put together.

Chairman Thibault stated I would like to check as to what that liability might be to this group or to this Committee or the Traffic Committee or whoever.

Deputy Clerk Johnson stated historically what transpired was the Traffic Committee had made the recommendation and it ultimately went through. It became originally an issue of equity and that is why it got brought before the Board in the first place because employees were paying for parking in one department and not paying in another department even though they were classified and paid the same wage and that was the issue that was brought before the Board and that is why the deal so to speak was struck with the employees stating okay it would be provided and in the event that the garages became too full it would be revisited. It was never an ultimate guarantee of free parking. I know that there has been discussion along the way off and on about going back to the employees and making them pay a portion but part of it was the equity situation from one position to another. When they went through the whole Yarger Decker study the positions were all supposed to be classified equally for the job so you would have a Clerk Typist in one area being paid the same thing as a Clerk Typist in another area and in one instance they would be provided parking and in another they would not and that was not considered equitable so that was part of the

whole...just so you have the background as to what led to the whole thing. There was no guarantee that it would continue forever.

Chairman Thibault stated so you are saying there is no liability.

Deputy Clerk Johnson replied I don't think there is a legal liability there, but you may want to have the Solicitor look at that.

Chairman Thibault stated well whoever has to look at it I would appreciate them taking note and checking that out and bringing it to this Committee if there is a problem.

Alderman Gatsas asked, Kevin, can you tell me if that is a tax liability or not as a benefit.

Mr. Clougherty answered my understanding is it would be. It is a tax liability.

Alderman Gatsas asked so do we issue that on their W-2's.

Mr. Clougherty answered I don't believe it is on their W-2's. I would have to talk to Human Resources and see how they do it.

Deputy Clerk Johnson asked why would it be a tax liability in one department and not another. It is not a benefit at Parks. It is not a benefit at Highway. It is not a benefit at Water Works.

Mr. Sherman stated parking is one of those items that is exempt from W-2's. That is an exemption. That does not get reported. What would get reported if it was being followed-up on is the use of City vehicles where people take their vehicles home they are supposed to get charged for that but parking is one of those few items that is exempted.

Alderman Gatsas asked is that in the Statute.

Mr. Sherman answered it is in the IRS tax code.

Alderman Gatsas stated so what you are telling me Randy is there are 200 employees that park in the garages. Are there other employees in the City that don't get that benefit and have to pay for parking?

Mr. Sherman replied no and that is what Carol was pointing out. There used to be employees that paid and employees that didn't pay and what the Board ultimately came back and said was okay to make it fair we will give the employees who work

downtown the free parking rather than go the other way and charge the people in the Highway Department to park in the Highway lot. The issue was you had people in the same position making the same pay and some were paying and some weren't. That is where the Board came back and tried to make it equitable.

Alderman Garrity asked can we possibly get the occupancy rates of the garages on a Monday through Friday basis during business hours. Also, the debt numbers I would like.

Alderman DeVries stated I enjoy the creative thinking that Alderman Gatsas has offered and I want to see that pursued a little bit more. I did have a brief conversation with Tom Arnold and I think he can provide some information that might help Alderman Gatsas as he continues to peruse this.

Deputy Solicitor Arnold stated Kevin and I were speaking briefly about the mechanics and what might be involved in condoizing for lack of a better term some of the downtown lots. I cannot say it cannot be done. My gut says it probably can be done. I don't think it would be a simple process. We would need to look at the bonds that presently exist on the building and their requirements and whether they could be modified to sell part of the lots. We would have to look at the tax implications. As you know right now those are tax-free bonds and that status might be altered if we were to in fact sell off to private parties portions of those lots. All of those items would need research to make the Board fully aware of the consequences of any action it might take.

Alderman Gatsas stated Mr. City Solicitor, a \$25 million deal should not be easy so if it takes a little bit of work for \$25 million we should be looking at that and doing that work with all due respect.

Deputy Clerk Arnold replied I certainly agree.

Chairman Thibault asked what would the Committee like to do with this.

Alderman Garrity asked can I get my numbers from Finance.

Mr. Sherman stated at the Canal Street garage we have \$1,096,000 outstanding. At Victory we have \$440,000 and at the Center of New Hampshire we have \$805,000.

Alderman Lopez asked Randy did you do any cross analysis on the debt service and the taxes we could get on that if we paid off the entire debt...the company that bid \$7,500,000 for all three garages and the debt service doesn't come up to that

and what the final analysis would be. Did you do a complete analysis like we asked?

Mr. Sherman answered it is not complete yet because what I am still waiting for are numbers from Highway's consultant on what future capital needs would be because in order to come up with a real value you have to know what it is requiring. At this point, what I did was I took the highest bids that were received for each of the three garages and tried to figure out what the cost of retaining those garages would be versus selling them. Again, without the capital reserve numbers the carrying costs on the Canal Street garage at this point is close to about \$450,000. That is what it is costing the City to retain ownership. The Victory garage is only about \$30,000 and the Center of New Hampshire is about \$120,000. Now that is Year 1 and those numbers obviously change as you go out through a period of years. That is the one year, which is a total of about \$590,000 for the three garages and that would be if you accepted the highest bids that were received. Obviously if you take them and maybe open it up and don't put them...I think you may have chased some people away by putting the minimum bid on it. For example, the folks at the Plaza would have put in a bid if there wasn't the minimum. You may actually be able to get those numbers even higher.

Alderman Lopez stated just for sake of argument, if we get the \$7 million for all three garages and we pay off our complete debt and we have money left over aren't we in a better financial situation.

Mr. Sherman replied from a financial standpoint my opinion is you are. What Jay will tell you is from an economic standpoint that you may not be because now you don't control the parking and you are subject to the market and if they want to jack the rates up to \$125 and nobody comes here and you have no tenants in the Hampshire Plaza then it wasn't a good deal. From a financial standpoint, yes, I think you are because you have just taken this \$590,000 annual carrying cost on these three garages and wiped it out. That gives you \$600,000 of money to use for something else. Now the offset is what is the economic development impact.

Mr. Clougherty stated if you were going to go through that exercise, I wouldn't be surprised if the IRS rules say that the dollars have to be used for something similar to the garages or another capital item in other words. You are not going to be able to take that windfall and use it to be able to reduce taxes or operating expenses. It would have to go into another capital item of a similar life. That is usually the rule that they are going to apply against you. You would be better financially and you would have money to do other projects and that is not to say that you wouldn't build more parking, which is needed.

Alderman Gatsas asked how many spaces do we have leased between the three garages. Do you know?

Mr. Taylor replied I am sure Traffic has those numbers. I can get it.

Alderman Gatsas stated if I remember correctly I remember Tom Lolicata saying that he was at 120% of the lease spaces because they weren't there on a continuous every day basis.

Mr. Taylor replied he is going that at the Pearl Street Lot. I am not sure it is being done in the garages. My guess would be somewhere in the 80% lease.

Alderman Gatsas stated I believe that we must have the names and addresses and I am sure with the two reporters that are sitting here that if they reported in the paper that the City is considering condominiumizing the parking garage spaces at \$10,000...if we are leasing 80% of those spaces and there are 2,500 we are at 2,000 multiplied by \$10,000 and that is \$20 million. That is \$17 million in excess of what we need to cover debt and probably would save us a lot of aggravation and give us another \$450,000 in tax revenue if I figure the tax rate at \$30 on some \$15 million of assessment.

Mr. Clougherty stated the tax issue that Tom Arnold is talking about is whether it is an all or nothing thing. There are certain thresholds in terms of public use that you are going to have to pass tests on. We can take a look at that. It is certainly worth looking at and seeing what Bond Council rules.

Alderman Gatsas stated I just threw out \$10,000 as a number that people are saying it costs to build. I didn't even talk about depreciation on those. When somebody took a straight 20-year amortization on it, if you depreciated it over seven...

Mr. Clougherty interjected it would still make money.

Alderman Gatsas stated it will still be a great deal for whoever buys one.

Mr. Taylor stated I don't think what my statement is going to be applies to your condominium proposal but it would apply in my mind if we were just going to sell the garages outright and that is if I were a bidder, I would at least want to have a non-compete agreement from the City going forward that the City isn't going to go out and build more spaces and compete against me with a lower rate. I wouldn't buy one unless I had that deal up front.

Chairman Thibault stated in view of the Traffic Department holding a meeting on September 23, should we table this.

Mr. Sherman stated the one thing that I would add is I looked at this \$592,000 carrying cost and if you were actually to put the monthly rate from \$56 up to \$73.87 you would be at break even. Jay had mentioned earlier that somebody told him they thought the market rate should be closer to \$75. Jay's point is that jumping from \$56 to \$75 is quite a jump in one year. That is the other approach. Again, if you can change the management contract that may be \$100,000 against the \$592,000. There are other ways to get at the \$592,000.

Chairman Thibault stated understanding first of all that the City of Manchester has always used parking as a development tool, if you will, throughout the City for many, many years...I wouldn't mind if we broke even but I would certainly like to stop losing what we are losing. If we could bring it up to maybe a \$200,000 a year cost that would probably be something we could live with but \$600,000 is a lot of money. I think that is something that the Traffic Committee will have to look at and that is why I am saying maybe we should table this pending their September 23 meeting in case they decide to raise the rates where we might come close to that \$200,000 or whatever.

On motion of Alderman Pinard, duly seconded by Alderman Garrity, it was voted to table this item pending information from the September 23 Traffic Committee meeting.

Chairman Thibault addressed Item 4 of the agenda:

Communication from Paul Martineau, Welfare Commissioner, seeking approval of a proposed lease agreement to be drafted by the City Solicitor and the Attorney for Manchester Emergency Housing (MEH) between the Welfare Department and MEH.

Commissioner Martineau stated there has never been an agreement with Manchester Emergency Housing, which is a non-profit organization. The prior Commissioner had set something up which has been a loose organization as far as formal contracts or leases. Where they are at is the City owns the building. What I wanted to do and I have been working on this and I met with the City Solicitor is to come up with a lease agreement where we are going to lease them the building for \$1 a year. Then in turn we can turn around and have a contract with them for them to run the shelter for the Welfare Department, which has never been done before. What really brought this to a crisis for me to write to you people is that we were paying roughly \$7,100/month to support that non-profit organization. They are not getting the Kenney grants from the State of \$25,000 and they are not

getting the \$17,000 from the State either. It is like \$42,000. We are going to have to pick up the slack and pay that difference, which means that it was more than...this month we wanted \$16,000 for them and next month \$14,000 so I had to come up with a short-term emergency contract for two months and I want to bring this lease before the Board next month so I had to get it before you people here and afterwards I can go into a contract with them. Now they are our primary source for family homelessness. That is where we send our families instead of putting them in hotels and motels. Like I said, I came up with this short-term lease agreement. What I want to do is expedite this and come before the Board with that lease at their next meeting so I don't have to come up with another short-term emergency agreement so to speak. That is the reason for it more or less.

Chairman Thibault asked are you saying that this is only for a few months.

Commissioner Martineau answered I have a short-term lease agreement to carry us so that we were able to pay. In other words when Finance found out that we were going to have to be paying more than \$10,000 they said we had to have some type of a contract. Prior to that...I don't know where the \$7,100 figure came from but in essence that is what we were paying them but now we have to pay more. The other thing is the fact that the directors on the board there had no liability insurance. They weren't carrying any liability insurance so what I did was I met with the Chairman of the Board, Al Gagne, and we came up with what the cost would be for the year based on expenses. This will allow them to basically run it like a business. The other thing I talked to them about also was that we can do some fundraising. They are non-profit so once they...if we do fundraising and so forth it would basically reduce our payment to them.

Alderman Gatsas asked how many families can be housed there.

Commissioner Martineau answered it is a three-story and usually we can put up eight families in there. Sometimes we can put an extra family or up to 10.

Alderman Gatsas stated I don't have a problem seeing the lease and getting some data that we can look at but you are telling me that we are spending \$10,000/month and that is \$120,000 a year. It has to be a pretty big building to put 10 families in there.

Commissioner Martineau replied it is a three-story or three family actually but there are about 10 rooms in there so what they do is they put families in one room. Sometimes it is a mother with a couple of kids or a mother with a child or it could be a husband and wife with kids so they arrange it for them to be in there. That is why in lieu of us sending people to hotels and motels we are using that and it is saving us quite a bit of money.

Alderman Gatsas asked is there any way we can get some of that cost data to see how it is \$10,000. I am looking and saying \$10,000/month for a three-family is a pretty high debt service.

Commissioner Martineau answered well the City owns the building. All we are doing is paying to maintain it. In other words...I can bring you the...I worked out a budget with Al Gagne and I can bring that to you and show you what the budget is.

Alderman Gatsas stated if there is no debt in there, it just seems extremely high.

Commissioner Martineau replied well there has to be somebody there 24 hours a day. You have an Administrator and there are expenses like for heating and so forth. I can bring that in to you.

Chairman Thibault asked do you feed these people also.

Commissioner Martineau answered there is food there for emergency purposes but we don't feed them. They get TANIF from the State and they get food stamps. The other point that I want to bring up is we charge them rent so they are not in there gratis. There is going to be an offset to that too. When we have these families, based on how much TANIF they are getting we charge them a rental fee.

Chairman Thibault asked does that bring down the \$10,000.

Commissioner Martineau answered sure.

Chairman Thibault asked to what level.

Commissioner Martineau answered I couldn't just tell you off hand. Based on the families in there we do get some income. You will see in our revenue accounts that there will be more revenue generated.

Chairman Thibault stated but I think what you are saying is that if you didn't have that you would have to put these people in a hotel.

Commissioner Martineau replied that is right. That is our primary source of family homelessness.

Alderman Pinard asked when you used French Hall last year, was this place in existence.

Commissioner Martineau answered Manchester Emergency Housing is a separate thing from French Hall.

Alderman Pinard asked did you use them last year.

Deputy Clerk Johnson answered yes. The emergency shelter for the City is what he is referring to and that has always been full for years.

Commissioner Martineau stated what we are doing is we are having a debate with the State also because what is happening is we are getting State funds and they were saying that homeless outreach for the state whenever they called Manchester they could never put any families in there and it is because we keep them full. In other words as soon as there are openings and we have families come in and they are homeless, we can put them there. What I told the director at the State was the fact that indirectly you have families coming in from other portions of the State that we end up putting in there anyway so technically we are doing what they want because they wanted to either charge us so much a night or to keep rooms open in case somebody came here. I said no we wouldn't do that because it is for our use in the sense that we are putting people there and saving money. If we weren't going to get State funds we would have to do it on our own but it is still going to save us a bunch of money.

Alderman Pinard asked but the City owns that particular building.

Commissioner Martineau answered yes the City owns that building.

Alderman Pinard asked can we look into...for the senior center we were looking at the Gale House on Ash Street. Wouldn't that be a good location for the Welfare Department to put people? Last year you ran into some problems and we had to use French Hall. Is that building still available? I think it is something we should research or look into.

Alderman DeVries stated I was just going to attempt to answer that because I believe there is a charitable trust involved with the Gale Home and it is to be left only for specific purposes – something pertaining directly to health or medical similar to the nursing home that the Gale Home previously was. That would be the only conflict I might see. I did have an additional question of you, Paul and I am a little confused. Where is this building? What is the address?

Commissioner Martineau replied we don't publicize the address. I can tell you privately but we don't publicize it. When we put families there sometimes the boyfriends or somebody else shows up and they can create problems.

Alderman DeVries asked are you under some kind of time restraints.

Commissioner Martineau answered what I did was the Finance Department told me that I had to come up with a short-term emergency contract so they could release the funds this month and for October and I know the Board meets on October 15 so I wanted to have something to bring to you at that time for the lease. The lease has to be approved by the Board of Mayor and Aldermen because you own the property. Once that is approved then I can go into an individual contract with the non-profit to support them.

Alderman DeVries stated so what you are asking of this Committee tonight might be that rather than us approving the proposed lease that we send it to the full Board without recommendation and at that time we might have all of the financial data that we need to support it.

Commissioner Martineau replied sure. I can bring all of the information at that time and spell it out.

Chairman Thibault stated I think it would behoove you, Paul, to give a list of the potential savings that you may get from using this and bring it to the full Board. As part of your contract, show the Board exactly where that is at and what you are trying to accomplish and the savings that it might generate.

Commissioner Martineau replied I have no problem with that. I can do that.

Alderman DeVries moved to refer this item to the full Board with no recommendation. Alderman Garrity duly seconded the motion.

Alderman Gatsas asked are you going to provide the Board with the full financial complement.

Commissioner Martineau answered what I will do is show you what we laid out as far as the cost for the whole year and the budget, etc.

Alderman Gatsas asked are you going to include salaries.

Commissioner Martineau answered yes. I can give you an estimate based on...what I really don't know is how much money the families we put in there are getting for TANIF but I think I can come up with an approximation.

Alderman Gatsas asked can you tell us what the last 12 months have been.

Commissioner Martineau answered I haven't been there the last 12 months. Like I said, this has been a loose set-up. I have been working with Al Gagne and the Administrator, Jeff Michelsen.

Alderman Gatsas replied I would assume that they should be able to tell you how many families were in there and what TANIF relief they got.

Commissioner Martineau responded sure. Jeff made a report to the State and I can tell you the number of families that went in there. I have all of that information.

Chairman Thibault called for a vote on the motion. There being none opposed, the motion carried.

Chairman Thibault addressed Item 5 of the agenda:

Derryfield Restaurant Proposal referred to Committee by the Committee on CIP.

Deputy Clerk Johnson stated we did distribute a communication from Mr. Ludwig.

Alderman DeVries moved to receive and file this item. Alderman Pinard duly seconded the motion. Chairman Thibault called for a vote. There being none opposed, the motion carried.

TABLED ITEMS

6. Request of Crystal Lake Preservation Association relating to various lots on Tax Map 506.

On motion of Alderman DeVries, duly seconded by Alderman Pinard it was voted to remove this item from the table.

Deputy Clerk Johnson stated there is a communication from Mr. MacKenzie and I believe David might have copies from you regarding this.

Mr. David Beauchesne stated I am with the Planning Department. The City has received as you probably all well know, communication in the past from the President of the Crystal Lake Preservation Association. They made an inquiry as to what the City's long-term interest was on a series of seven lots located barely East of Crystal Lake. I have a map showing the location of these lots if anybody is interested in visually looking at the geographic space. Basically the lots are in wetlands. My own research showed that the soils are mucky peat type soil and there are swamps in that area. I think we are surmising in the Planning

Department that the President of the Crystal Lake Preservation Association, Mr. Manning, has possibly an interested in his organization acquiring the land for conservation purposes but I don't know that for a fact. Our determination in the Planning Department is because of the widespread wetland soil type present that the land is not really feasible for development purposes and, therefore, conservation purposes are most likely a good in purpose. Who takes care of it? As far as the Planning Department goes, we don't have an opinion on that. The private group already has control of some lands out there. Apparently, there was some development that occurred in the last few years across from Mosquito Brook, which borders some of these lands and that flows into Crystal Lake. The lands there were acquired by this Preservation Association for conservation purposes so now these seven lots are just across the brook and our recommendation is that whether the City keeps it for conservation purposes or whether it in some fashion conveys it to the private sector group we think is an appropriate purpose.

Alderman DeVries stated I think I can enhance that a little bit. The Crystal Lake Preservation Association does not care how the land is deeded. Their interest is in the perpetual conservation on the land. Whether the ownership is retained by the City of Manchester makes no difference to them. It might actually be easier to maintain ownership with the City of Manchester and put the conservation easement on it for tax purposes even though they are a non-profit. I think the only other...this also abuts against the land that they are purchasing from a current developer, which would be wedged between Philip's Glen and Demers Garden Center on South Mammoth Road. So it kind of abuts up against other properties that they have already been deeded in conservation from the contractor, LaMontagne. Their interest is purely in seeing no development on the land.

Mr. Beauchesne stated one of the prime reasons this was tabled previously was that the Committee was awaiting feedback from the Conservation Commission and I have no idea if you have gotten that information yet.

Chairman Thibault replied no.

Alderman Gatsas stated I think we were also waiting for the I-93 widening mitigation. That was the biggest reason we put this on the table. I don't think that has been resolved as of yet.

Alderman DeVries stated this is not part of the I-93 widening. Even if I-93 widening monies come down to that area, this is not part of that process.

Alderman Gatsas replied but there is nothing that says we can't use it for mitigation and I think that is why it was put on the table the last time.

Deputy Clerk Johnson stated the last time it was put on the table for the Conservation Commission to report back on because it was determined that it wasn't going to be part of the I-93 widening. The Conservation Commission was supposed to weigh in on it. The Committee wanted a weigh in factor from them. We did send out a communication and we did follow that up again with a staff member from Planning and haven't heard anything back.

Alderman DeVries stated I had verbal conversations with them and I know...they thanked us for the referral because they said it is prime wetlands and they want to see it in conservation as well but I guess they haven't...

Deputy Clerk Johnson interjected I think there is an agreement that it should be and it is a matter of whether the City wants to retain it. If it does, it could then be used as mitigation if the City retains it in the future anyway and doesn't do any easements but just holds it for conservation purposes. Then you have it for mitigation for other projects in the future if you wanted it. That might come to the City's advantage in the future. That has been one of the statements made in the past. The main concern of the Crystal Lake Preservation Committee has been that the City commit to having it as conservation land. I think the City has been in agreement with that all along.

Alderman DeVries moved to place the item back on the table pending a report from the Conservation Commission. Alderman Pinard duly seconded the motion.

Alderman Gatsas stated I would assume that we would wait on mitigation also.

Chairman Thibault called for a vote. There being none opposed, the motion carried.

7. Communication from Lynn Wilson offering to donate Map 0497, Lot 0007 on Hobart Street.

On motion of Alderman DeVries, duly seconded by Alderman Pinard, it was voted to remove this item from the table.

Deputy Clerk Johnson stated the Clerk would note that since she has offered to sell it to the City she actually did sell it to somebody else and it is owned by somebody else so receiving and filing would be appropriate at this time.

On motion of Alderman Garrity, duly seconded by Alderman Pinard, it was voted to receive and file this communication.

8. Request of Frank and Janice Hobbs to purchase Map 497 Lot 8.

On motion of Alderman Gatsas, duly seconded by Alderman DeVries, it was voted to remove this item from the table.

Deputy Clerk Johnson stated the request is for Ms. Hobbs to purchase Map 497, Lot 8. Lot 8 abuts Lot 7 and they also own another piece on the other side of Lot 8. We have reviewed this with the Assessors. The Assessors are ready to give you a verbal report this evening of what the value is. I believe we received...maybe we haven't received the report from Planning but the indications are that it is surplus to City needs. We have requested a report from the Tax Collector in order for the Committee to take action on it as well. The piece of property that we are talking about is completely surrounded by the Hobbs. I think Mr. Tellier could give you a description as to where the property is and what the value is.

Mr. Tellier showed the map to the Committee members explaining where the lot is. He stated that the land has no feasible access to it. It is strictly back land surrounded by additional back land. There is no access. The lot in question, Map 497, Lot 8 is approximately 1.21 acres.

Chairman Thibault asked does that go into the watershed for the lake.

Mr. Beauchesne stated the land is kind of in a boggy area. Right now it is kind of dry like the rest of the State but it is generally seasonably wet year around in parts of it. I would say about 90% of that particular lot...it is like a string bean lot, is in a soil type like the one I mentioned previously which is a boggy peat type soil. There is a corner of this lot that is closest to Bridge Street and it is that corner that the lady who wrote the letter is most desirous of. I suspect that she would like to combine it with the rest of her property and somehow subdivide it to fit another lot. That is what I gathered from a personal conversation with the lady.

Alderman Pinard stated I have talked to the people there because that is in my ward. That is right by the trestle by Bridge Street Extension. It is right there on you right going down. It is part of the wetland but they are very interested in purchasing it so they can adjoin their property.

Alderman DeVries asked what is the value that was determined on that land.

Mr. Tellier answered without subdivision approval and with no access, there is no plottage. It is strictly backland and predominantly wet. I couldn't imagine a market value exceeding \$1,500 to \$2,000 as being fair and equitable.

Alderman DeVries asked except where they own the abutting property through voluntary consolidation of the lots they would have...what are the dimensions on this.

Mr. Tellier answered I don't have the actual dimensions but it is actually...what I show here for a total area is 1.21 acres and it may not even be that much.

Mr. Beauchesne stated it is something like 200' by 50' or 220' x 50'.

Alderman Gatsas stated it is 424' x 100'. It is 17 lots with 25' of frontage 100' deep.

Alderman DeVries stated Hobart Street you said was a discontinued road so that was laid out more than 20 years ago so it has already been found not to have public use.

Mr. Tellier replied it exists on paper only.

Alderman DeVries asked has that been distributed to the abutters that it has been formally discontinued.

Deputy Clerk Johnson answered yes it would have been.

Alderman DeVries asked so if the petitioned for it they would be...

Deputy Clerk Johnson interjected they would not even need to petition under the State law.

Alderman DeVries asked so they would automatically own to the centerline of Hobart as well.

Deputy Clerk Johnson answered as an abutter to the paper street of Hobart, yes, unless somebody prior had released interest to it and it was taken over by deed and went through the Superior Court process and I suspect that has not occurred. The short answer would be yes.

Alderman Pinard moved to dispose of the property, Tax Map 484, Lot 29, at a price of \$1,500.

Alderman Gatsas asked, Steve, are you telling me that there is no access...in other words I couldn't come in and look to extend Hobart Street or come in to Hobart Street from somewhere else to get frontage on this.

Mr. Tellier answered it is unlikely at this point, that is correct.

Alderman Gatsas asked what does Hobart Street drop into and start at.

Mr. Tellier replied there is a map coming up to the Aldermen.

Mr. Beauchesne showed the map to the Committee members.

Alderman Gatsas asked what did she pay for this.

Mr. Tellier answered I don't know.

Alderman Gatsas asked what was it offered to the City for.

Deputy Clerk Johnson answered originally it was offered to the City for free but then she sold it privately.

Chairman Thibault asked but there is no way she can develop that backland, right.

Deputy Clerk Johnson answered yes there is. She could do a subdivision.

Alderman Gatsas asked what is the zoning. It is not zoned multi-family is it?

Mr. Tellier stated I don't know if there is enough frontage should they attempt to discontinue Hobart Street...frontage on Bridge Street Extension should they get ultimate approval for discontinuance and they get the ownership on the paper street part. That is a long shot.

Alderman Gatsas stated you can do a cluster there pretty easily.

Mr. Tellier stated at this point without some sort of an opinion on the legally permitted use, what we are talking about here is residual land that is significantly impacted by wetland. If the plottage exists as Alderman Gatsas speculated, then it would increase...should they do a plottage and combined all for future subdivision than that market value would increase and their assessment would increase as well.

Deputy Clerk Johnson asked do you want to leave it on the table and find out what the zoning is.

Alderman Pinard withdrew his motion.

On motion of Alderman Gatsas, duly seconded by Alderman DeVries, it was voted to table this item pending a report on the zoning and how many units would be allowed.

9. Communication from Katia Lapointe inquiring about possible disposition of City property located on Hartt Avenue (Tax Map 484 Lot 29) near her property at 72 Peabody Ave.

This item remained on the table.

There being no further business, on motion of Alderman Gatsas, duly seconded by Alderman Garrity, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee